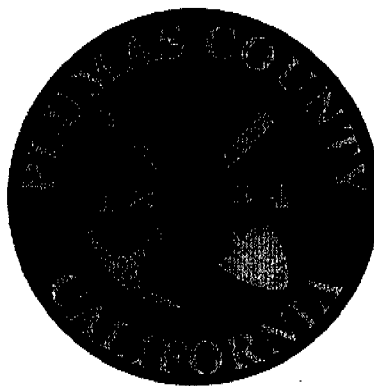


**COUNTY OF PLUMAS,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2008**

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**COUNTY OF PLUMAS, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2008**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

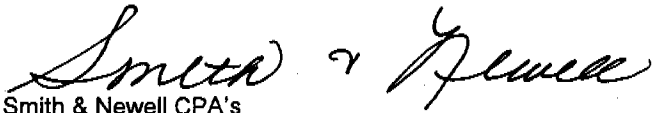
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of the County in a separate report dated February 9, 2009.

Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

This report is intended solely for the information and use of management, others within the organization, the Board of Supervisors and Grand Jury, and Federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in dark ink.

Smith & Newell CPA's
Yuba City, California
February 9, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Compliance

We have audited the compliance of County of Plumas, California, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

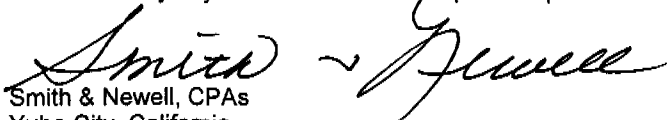
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Plumas, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated February 9, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, the Board of Supervisors and Grand Jury, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.


Smith & Newell, CPAs
Yuba City, California
February 9, 2009

COUNTY OF PLUMAS, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Disburse- ments/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Food Stamps	10.551	-	\$ 882,730
State Administrative Matching Grants for Food Stamp Program	10.561	-	136,710
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	-	3,938,304
Total U.S. Department of Agriculture			4,957,744
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	235,084
Total Department of the Interior			235,084
<u>U.S. Department of Justice</u>			
Direct Program:			
State Criminal Alien Assistance Program	16.606	2008 AP BX 0424	4,465
Public Safety Partnership and Community Policing Grants	16.710	2004 CK WX 0051	69,820
Drug Court Discretionary Grant Program	16.585	2007-34	20,000
Drug Court Discretionary Grant Program	16.585	2008-35	50,000
Subtotal 16.585			70,000
Passed through State Office of Emergency Services			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC 07080320	131,302
Crime Victim Assistance	16.575	VW 07150320	46,618
Total U.S. Department of Justice			322,205
<u>Department of Homeland Security</u>			
Passed through State Department of Emergency Services:			
Emergency Management Performance Grants	97.042	06 EMPG	16,776
Homeland Security Grant Program	97.067	05 HSGP	132,142
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	05 HSGP	60,342
Disaster Assistance Projects	97.088	1628-DR	13,773
Total Department of Homeland Security			223,033
<u>U.S. Department of Transportation</u>			
Passed through Federal Aviation Administration			
Airport Improvement Program	20.106	AIP 3-06-0020-05	67,334
Airport Improvement Program	20.106	AIP 3-06-0040-09	-
Airport Improvement Program	20.106	AIP 3-06-0040-09	4,370
Airport Improvement Program	20.106	AIP 3-06-0191-07	63,511
Subtotal 20.106			135,215

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Disburse- ments/ Expenditures</u>
<u>U.S. Department of Transportation (Continued)</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5909(029)	3,057
Highway Planning and Construction	20.205	BRLO-5909(079)	800
Highway Planning and Construction	20.205	BRLO-5909(080)	2,656
Highway Planning and Construction	20.205	BRLO-5909(081)	1,262
Highway Planning and Construction	20.205	BRLO-5909(082)	2,431
Highway Planning and Construction	20.205	BRLO-5909(083)	674
Highway Planning and Construction	20.205	DTFH68-07-E-00019	54,790
Highway Planning and Construction	20.205	ER-4406(001)	5,770
Highway Planning and Construction	20.205	ER-4406(002)	7,973
Highway Planning and Construction	20.205	ER-4406(003)	26,130
Highway Planning and Construction	20.205	ER-4406(004)	14,104
Highway Planning and Construction	20.205	ER-4406(005)	5,976
Highway Planning and Construction	20.205	HRRRL-5909(084)	1,485
Highway Planning and Construction	20.205	STPLX-5909(012)	27,576
Highway Planning and Construction	20.205	STPLX-5909(060)	255,625
Highway Planning and Construction	20.205	STPLX-5909(061)	563,559
Subtotal 20.205			973,868
Total U.S. Department of Transportation			1,109,083
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	3 H76 HA 01696 A	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	3 H76 HA 01696 B	228,938
Subtotal 93.918			228,938
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	15,440
Temporary Assistance for Needy Families	93.558	-	1,448,086
Child Support Enforcement	93.563	-	546,773
Child Welfare Services - State Grants	93.645	-	58,963
Foster Care - Title IV-E	93.658	-	835,584
Adoption Assistance	93.659	-	194,463
Social Services Block Grant	93.667	-	16,353
Chafee Foster Care Independence Program	93.674	-	34,275
Passed through State Department of Alcohol & Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	403,421
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	-	38,627
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	-	164,967
Nutrition Services Incentive Program	93.053	-	27,541

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Disburse- ments/ Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>			
Passed through State Department of Health Services:			
Medical Assistance Program	93.778	CHDP	119,434
Medical Assistance Program	93.778	MCH	54,175
Medical Assistance Program	93.778	CIPP	15,176
Subtotal 93.778			<u>188,785</u>
Maternal and Child Health Services Block Grant to the States	93.994	CCS	47,365
Maternal and Child Health Services Block Grant to the States	93.994	Title XIX	8,880
Subtotal 93.994			<u>56,245</u>
Health Care and Other Facilities	93.887	3 C76 HF 02811 A0	39,695
Health Care and Other Facilities	93.887	3 C76 HF 06025 A0	-
Subtotal 93.887			<u>39,695</u>
HIV Care Formula Grants	93.917	CARE	128,114
Passed through State Department of Emergency Services:			
Centers for Disease Control and Prevention -			
Investigations and Technical Assistance	93.283	-	178,872
Passed through State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	SAMHSA	223,350
Total U.S. Department of Health & Human Services			<u>4,828,492</u>
Total Federal Financial Assistance			<u>\$ 11,675,641</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Plumas. The County of Plumas reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements, federal award revenues are reported principally in the County's financial statements as inter governmental revenue in the General and Special Revenue Funds.

4. PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Food Stamp Cluster</u>		
10.551	Food Stamps	\$ 882,730
10.561	State Administrative Matching Grants for Food Stamp Program	136,710
	Total	<u>\$ 1,019,440</u>

5. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

6. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS

The following represents expenditures for the California Office of Emergency Services (OES) programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditure of Federal Awards is determined by calculating the federal portion (if any) of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>VB07050320 - Statutory Rape Vertical Prosecution</u>						
Personal services	\$ -	\$ 92,705	\$ 92,705	\$ -	\$ 92,705	\$ -
Operating expenses	-	6,352	6,352	-	6,352	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 99,057</u>	<u>\$ 99,057</u>	<u>\$ -</u>	<u>\$ 99,057</u>	<u>\$ -</u>
<u>DC07080320 - Violence Against Women</u>						
Personal services	\$ -	\$ 76,738	\$ 76,738	\$ 76,738	\$ -	\$ -
Operating expenses	-	54,564	54,564	54,564	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 131,302</u>	<u>\$ 131,302</u>	<u>\$ 131,302</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF PLUMAS, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

6. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAM (CONTINUED)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>VW07150320 - Anti-Drug Enforcement</u>						
Personal services	\$ -	\$ 94,740	\$ 94,740	\$ 46,618	\$ 48,122	\$ -
Operating expenses	-	13,996	13,996	-	13,996	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 108,736	\$ 108,736	\$ 46,618	\$ 62,118	\$ -

7. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION PROGRAMS

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2008. The amount reported in the Expenditures of Schedule of Federal Awards is determined by calculating the federal portion (if any) of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>CSA 732-07 - Juvenile Probation and Camps Funding</u>						
Other	\$ -	\$ 46,127	\$ 46,127	-	\$ 46,127	-
Totals	\$ -	\$ 46,127	\$ 46,127	\$ -	\$ 46,127	\$ -

8. CALIFORNIA DEPARTMENT OF JUSTICE

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditure of Federal Awards is determined by calculating the federal portion (if any) of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>07SA14D044 - Spousal Abuser Prosecution Program</u>						
Salaries	\$ -	\$ 28,640	\$ 28,640	\$ -	\$ 22,676	\$ 5,964
Benefits	-	12,232	12,232	-	11,051	1,181
Training and Education	-	2,000	2,000	-	2,000	-
Totals	\$ -	\$ 42,872	\$ 42,872	\$ -	\$ 35,727	\$ 7,145

COUNTY OF PLUMAS, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Status

- | | |
|--|-------------|
| 1. Type of auditor's report issued | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | |
| All major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)? | No |
| 4. Identification of major programs: | |
| 15.226 Payments in Lieu of Taxes | |
| 20.205 Highway Planning and Construction | |
| 93.558 Temporary Assistance for Needy Families | |
| 93.563 Child support Enforcement | |
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | \$350,269 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

COUNTY OF PLUMAS, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30 2008

Audit Reference

Status of Prior Year Audit Findings

There were no prior year audit findings.

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